

# Emerson Expects to Save US\$80 Million Per Year with Oracle E-Business Suite

## Customer Profile



**Emerson Electric, Inc.**  
St. Louis, Missouri  
[www.gotomemerson.com](http://www.gotomemerson.com)

**Industry:**  
Industrial Manufacturing

**Annual Revenue:**  
More than 1.001 Billion

**Employees:**  
More than 10,000 employees

**Oracle Products & Services**

- E-Business Suite - ERP

### Key Benefits

- Standardize diverse business processes
- Reduce the cost of software maintenance and upgrades
- Consolidate from 100 data centers to eight or less
- Consolidate other functions, such as warehouse and document centers
- Improved customer solutions

*"Oracle's reputation as a technology leader was a major factor in our decision to select the Oracle E-Business Suite over other vendors and point-solution players. The Oracle E-Business Suite gives us the sophisticated functionality our organization needs to integrate key business processes, introduce innovative technologies and continue to drive for bottom line operating improvement." --Greg Carmichael, Vice President and CIO, Emerson Electric*

### Company-wide Collaboration Results in Increased Efficiencies and Economies of Scale

Emerson, a publicly traded company based in St. Louis, Mo., that posted sales of \$15.5 billion in 2001, brings together technology and engineering to produce leading-edge products, innovative solutions and global services in such areas as:

- Uninterrupted power to communication networks
- Efficient automation and asset management to plant managers
- Industry-leading climate control applications for residential and commercial use

The 112-year old company has more than 60 divisions operating in five business segments: process control; electronics and telecommunications; industrial automation; heating, ventilating and air conditioning; and appliance and tools.

Each division is empowered to run its business as it sees fit—a business strategy to which Emerson attributes much of its success as a leader in the market segments it competes in. However, to continue its growth in the future, Emerson is increasingly identifying opportunities for collaboration among its divisions. This effort is resulting in more complete services and solutions for customers as well as better efficiencies and economies of scale for the company.

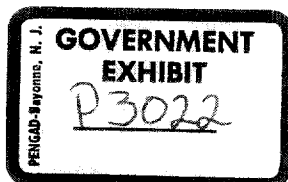
Emerson's information technology infrastructure offers one of those opportunities. With 100 data centers running 45 different ERP products, Emerson saw many advantages to replacing its legacy business systems with a single infrastructure throughout its divisions.

### High-Level Project Goals

- Standardize diverse business processes with best practices
- Consolidate and lower IT costs
- Increase profitability with integrated e-business software

### Why Oracle?

Holding true to form as one of the nation's best-managed companies, Emerson conducted a lengthy evaluation of several providers. Finally, it selected Oracle's E-Business Suite because of Oracle's rich portfolio of e-business software, Internet-based architecture, global support base, and market strength.



"Oracle's reputation as a technology leader was a major factor in our decision to select the Oracle E-Business Suite over other vendors and point-solution players," said Greg Carmichael, Emerson vice president and CIO. "The Oracle E-Business Suite gives us the sophisticated functionality our organization needs to integrate key business processes, introduce innovative technologies and continue to drive for bottom-line operating improvement."

Before taking Oracle E-Business Suite enterprise-wide, Emerson successfully tested elements of the package independently in several divisions, including Emerson Process Management, which experienced increased productivity; and Emerson Motor Technologies, which benefited from the portal technology of Oracle's human resources system.

"We saw that Oracle's E-Business Suite offered the strength, ease of use, and breadth to support our complex needs," Carmichael said.

#### Shared System Results in Savings

Oracle E-Business Suite is helping Emerson standardize back-office functions like accounts payable, logistics, and travel into a common shared center. In addition, Carmichael projects that timely, accurate data provided by the Oracle E-Business Suite will trim US\$80 million per year from logistics spending by consolidating such areas as warehouses, document centers, and travel programs. The company anticipates an additional annual savings of at least US\$30 million by transitioning to a single accounts payable shared center for all 48 domestic Emerson divisions.

#### Integration and Roll-out

Many Emerson divisions already have started integrating this new model of shared software architecture, and other divisions will adopt it gradually. Each division will replace its legacy systems when there is a clear business case for the Oracle upgrade. This move eventually will bring the whole of Emerson's IT under the umbrella of six to eight major support centers, a major reduction from its original 100 centers.

"Emerson has always been diversified in how we run our operations," Carmichael said. "When the divisions make the transition to Oracle, we believe it will take close to \$40 million out of IT operating costs."

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